

# INTERNATIONAL MERCANTILE MARINE COMPANY.

(INTERNATIONAL NAVIGATION COMPANY)

## Plan and Agreement of Reorganization,

Dated August 3, 1915.

OTTO T. BANNARD,  
Chairman,

ANDREW J. MILLER,  
Vice-Chairman,  
FREDERICK H. SHIPMAN,  
SIDNEY F. TYLER,  
ALBERT H. WIGGIN,  
L. G. MYERS.

WILLIAM P. GEST,  
Vice-Chairman,  
T. DEWITT CUYLER,  
SAMUEL F. HOUSTON,  
CHARLES D. NORTON,  
GEORGE S. BREWSTER,  
BENJAMIN THAW.

THE LIBRARY  
OF THE  
UNIVERSITY OF ILLINOIS

### DEPOSITARIES AND THEIR AGENTS:

For Four and One-half Per Cent. Mortgage and Collateral Trust Gold Bonds.	{	THE NEW YORK TRUST COMPANY, <i>Depositary</i> , 26 Broad Street, New York City.
		LAND TITLE & TRUST COMPANY, <i>Agent</i> , Philadelphia, Pa.
		GLYN, MILLS, CURRIE & CO., <i>Agent</i> , 67 Lombard Street, London, England.
For First Mortgage Sinking Fund Five Per Cent. Gold Bonds.	{	FIDELITY TRUST COMPANY, <i>Depositary</i> , Philadelphia, Pa.
		BANKERS TRUST COMPANY, <i>Agent</i> , 14 Wall Street, New York City.
		FIDELITY TITLE AND TRUST COMPANY, <i>Agent</i> , Pittsburgh, Pa.
For Preferred & Common Stock and Voting Trust Certificates.	{	THE NEW YORK TRUST COMPANY, <i>Depositary</i> , 26 Broad Street, New York City.
		FIDELITY TRUST COMPANY, <i>Agent</i> , Philadelphia, Pa.
		ADOLPH BOISSEVAIN & CO., <i>Agent</i> , Amsterdam, Holland.

### SECRETARIES TO COMMITTEE:

T. HOMER ATHERTON,  
325 Chestnut St., Philadelphia, Pa.

C. E. HAYDOCK,  
26 Broad Street, New York City.



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In 83p

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# INTERNATIONAL MERCANTILE MARINE COMPANY

Four and One-Half Per Cent. Mortgage and Collateral Trust Gold Bonds

## BONDHOLDERS' PROTECTIVE COMMITTEE

OTTO T. BANNARD,  
CHAIRMAN.

ANDREW J. MILLER,  
FREDERICK H. SHIPMAN,  
SYDNEY F. TYLER,  
ALBERT H. WIGGIN,  
L. G. MYERS,

COMMITTEE.

HORNBLOWER, MILLER, POTTER & EARLE  
COUNSEL.

THE NEW YORK TRUST COMPANY  
DEPOSITARY  
26 BROAD STREET, NEW YORK CITY

ADDRESS ALL COMMUNICATIONS TO  
CHARLES. E. HAYDOCK, SECRETARY  
26 BROAD STREET, NEW YORK CITY

NEW YORK, August 3, 1915.

To the

Holders of Certificates of Deposit issued by the Depositary and its Agents under Deposit Agreement dated October 2nd, 1914:

The undersigned Committee, acting under the certain Deposit Agreement dated October 2nd, 1914, for the deposit with said Committee of the Four and One-Half Per Cent. Mortgage and Collateral Trust Gold Bonds of the International Mercantile Marine Company, having prepared and adopted the Plan and Agreement annexed hereto, dated August 3, 1915, for the reorganization of the International Mercantile Marine Company, recommends the prompt acceptance of the said Plan and Agreement.

All holders of Certificates of Deposit issued by the Depositary and its Agents under said Deposit Agreement are hereby notified that unless, in the manner and within the time provided by said Deposit Agreement, they dissent from said Plan and surrender their Certificates of Deposit in exchange for deposited Bonds represented thereby they will be conclusively presumed to have assented to such Plan and Agreement and will be bound by all the terms and provisions thereof.

Otto T. Bannard,

Chairman,

Andrew J. Miller,

Frederick H. Shipman,

Sidney F. Tyler,

Albert H. Wiggin,

L. G. Myers,

Committee.

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**INTERNATIONAL MERCANTILE MARINE COMPANY**

First Mortgage Sinking Fund Five Per Cent. Gold Bonds

OF THE

**INTERNATIONAL NAVIGATION COMPANY**

**BONDHOLDERS' PROTECTIVE COMMITTEE**

WILLIAM P. GEST,  
CHAIRMAN,  
T. DEWITT CUYLER,  
SAMUEL F. HOUSTON,  
CHARLES D. NORTON,  
GEORGE S. BREWSTER,  
BENJAMIN THAW,  
COMMITTEE.

FIDELITY TRUST COMPANY  
DEPOSITARY  
325 CHESTNUT STREET, PHILADELPHIA, PA.

MORGAN, LEWIS & BOCKIUS,  
COUNSEL,  
ADDRESS ALL COMMUNICATIONS TO  
T. HOMER ATHERTON, SECRETARY,  
325 CHESTNUT STREET,  
PHILADELPHIA, PA.

NEW YORK, August 3, 1915.

To the

Holders of Certificates of Deposit issued by the Fidelity Trust Company Depositary and its Agents under Deposit Agreement dated November 12, 1914:

The undersigned Committee, acting under the certain Deposit Agreement dated November 12, 1914, for the deposit with said Committee of the First Mortgage Sinking Fund Five Per Cent. Gold Bonds of the International Navigation Company (now the International Mercantile Marine Company), having prepared and adopted the Plan and Agreement annexed hereto, dated August 3, 1915, for the reorganization of the International Mercantile Marine Company, recommends the prompt acceptance of the said Plan and Agreement.

All holders of Certificates of Deposit issued by the Depositary and its Agents under said Deposit Agreement are hereby notified that unless, in the manner and within the time provided by said Deposit Agreement, they dissent from said Plan and surrender their Certificates of Deposit in exchange for deposited Bonds represented thereby, they will be conclusively presumed to have assented to such Plan and Agreement and will be bound by all the terms and provisions thereof.

William P. Gest,  
Chairman.

T. DeWitt Cuyler,  
Samuel F. Houston,  
Charles D. Norton,  
George S. Brewster,  
Benjamin Thaw,  
Committee.

**REORGANIZATION**  
OF THE  
**INTERNATIONAL MERCANTILE MARINE COMPANY.**  
**(International Navigation Company.)**

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To the holders of

Four and One-half Per Cent. Mortgage and Collateral Trust Gold Bonds and of Certificates of Deposit of The New York Trust Company as Depositary, and its Agents, issued under the certain Deposit Agreement dated October 2, 1914 ;

First Mortgage Sinking Fund Five Per Cent. Gold Bonds and of Certificates of Deposit of the Fidelity Trust Company as Depositary, and its Agents, issued under the certain Deposit Agreement dated November 12, 1914 ;

Preferred Stock, and Common Stock ; and  
Voting Trust Certificates for stock of the  
**INTERNATIONAL MERCANTILE MARINE COMPANY.**

THE INTERNATIONAL MERCANTILE MARINE COMPANY, hereinafter referred to as the "Marine Company," was incorporated June 6, 1893, in the State of New Jersey under the name of "International Navigation Company" ; on October 1, 1902 its name was changed to "International Mercantile Marine Company."

Prior to the enlargement of the Marine Company in 1902, the capital liabilities of the Marine Company consisted of \$9,205,000 (par value) of preferred stock, \$5,000,000 (par value) of common stock, and \$20,000,000 First Mortgage Sinking Fund Five Per Cent. Gold Bonds, hereinafter called the "Five Per Cent. Bonds." The Mortgage securing the Five Per Cent. Bonds is a direct lien on the ships owned and operated by the Marine Company, known as the "American Line," as well as the Finland and the Kroonland, and by the pledge of practically all the shares of



stock of the International Navigation Company, Limited, of England, and of the Societe Anonyme de Navigation Belge-Americaine of Antwerp, the ships of the latter Company being operated under the name of the "Red Star Line." Through the operation of the sinking fund of the mortgage, \$2,272,000 of said bonds have been retired, so that the total amount of said bonds presently outstanding is \$17,728,000, of which \$96,000 are held in the treasury of the Marine Company.

In 1902, the International Navigation Company, Limited (of England), acquired all the shares of capital stock of the Oceanic Steam Navigation Company, Limited, known as the "White Star Line," and the Atlantic Transport Company, Limited (which company owned all the capital stock of the Atlantic Transport Company of West Virginia), the last two companies being known as the "Atlantic Transport Line," and nearly all the capital stock of the British and North Atlantic Steam Navigation Company, Limited, known as the "Dominion Line." The Marine Company also acquired 118,463 ordinary shares, out of a total of 120,000 ordinary shares outstanding, and 58,703 preference shares, out of a total of 141,435 preference shares outstanding, of Frederick Leyland & Company, Limited, known as the "Leyland Line".

In the acquisition of the securities of said last named Companies, the International Navigation Company, Limited, issued £25,000,000 "Share Lien Certificates" secured by the said shares of said Companies, which Share Lien Certificates were purchased by the Marine Company, the Marine Company issuing in exchange therefor \$50,795,000 of its Preferred Stock, \$55,000,000 of its Common Stock, and \$50,000,000 of its Four and One-half Per Cent. Mortgage and Collateral Trust Gold Bonds, hereinafter referred to as the "Four and One-half Per Cent. Bonds." The Four and One-Half Per Cent. Bonds are secured by a pledge of said Share Lien Certificates, and the shares of said above mentioned Companies. Subsequently, from time to time, additional Four and One-Half Per Cent. Bonds were issued to the amount of \$2,744,000, so that the total amount of Four and One-Half Per Cent. Bonds presently outstanding is \$52,744,000, of which \$150,000 are held in the treasury of the Marine Company.

The amount of bonds (principal) and stock (par value) of the Marine Company presently outstanding in the hands of the public is as follows:

<b>Five Per Cent. Bonds.....</b>	<b>\$17,632,000</b>
<b>Four and One-half Per Cent. Bonds.....</b>	<b>52,594,000</b>
<b>Preferred stock.....</b>	<b>51,726,300</b>
<b>Common Stock.....</b>	<b>49,872,400</b>

On October 1, 1914, the Marine Company defaulted in the payment of the semi-annual interest due that day on its Four and One-half Per Cent. Bonds, and on February 1, 1915, defaulted in the payment of the semi-annual interest due that day on its Five Per Cent. Bonds. On April 1, 1915, the Marine Company again defaulted in the payment of the semi-annual interest due that day on its Four and One-half Per Cent. Bonds and the previous default in the payment of the interest which was due October 1, 1914, having continued for six months, The New York Trust Company, Trustee under the Indenture securing said bonds, in accordance with the provisions of the said bonds and the Indenture securing the same, declared the principal of all the outstanding Four and One-half Per Cent. Bonds to be immediately due and payable, and on April 3, 1915, in the United States District Court for the Southern District of New York, commenced a suit to foreclose the lien of the Indenture securing the Four and One-half Per Cent. Bonds, and for the appointment of a Receiver of the Marine Company. On April 3, 1915, Mr. Philip A. S. Franklin was appointed Receiver of the Company, and of all of its assets except the shares of stock, cash and other securities and obligations pledged to The New York Trust Company or to the Fidelity Trust Company.

On April 30, 1915, the Fidelity Trust Company, as Trustee under the mortgage securing the Five Per Cent. Bonds, filed its cross-bill in the above mentioned action to foreclose the lien of the Indenture securing the Five Per Cent. Bonds, and for an extension of the Receivership for the protection of its rights and the rights of the holders of the Five Per Cent. Bonds, in accordance with which the Receivership of Philip A. S. Franklin was so extended.

On August 1, 1915, the Marine Company again defaulted in the payment of the semi-annual interest due that day on its Five Per Cent. Bonds and the previous default which had been made on February 1, 1915, having continued for six months, the Fidelity Trust Company, Trustee under the Indenture securing said bonds, in accordance with the provision of the said bonds and the Indenture securing the same, declared the principal of all the outstanding Five Per Cent. Bonds to be immediately due and payable.

Committees were formed to represent respectively the interests of the holders of the Four and One-half Per Cent. Bonds, and the Five Per Cent. Bonds, both of which Committees, after careful consideration of the situation and the respective rights and equities of the various classes of securities represented by them, have unanimously agreed upon the proposed Plan of Reorganization hereinafter set forth.

In preparing the Plan of Reorganization, it has not only been sought fairly to recognize the existing priorities and equities between the various classes of securities, but to also fix the capital of the New Company on a basis more nearly approximating the intrinsic value of the tangible properties and securities to be owned by the New Company without regard to the value of good will, trade routes, going business, &c., and to limit the annual fixed charges of the New Company to an amount well within the average net earnings for the past six years, 1909 to 1914 both inclusive, after deducting for depreciation charge of Five Per Cent.

The earnings for the six years mentioned were as follows :

Year.	Earnings.	Depreciation 5% Basis.	Available for Bond Interest.
1909 .....	\$4,504,115	\$4,439,153	\$64,962
1910 .....	8,166,194	4,379,550	3,786,644
1911 .....	7,811,879	4,670,990	3,140,889
1912 .....	7,075,833	4,569,471	2,506,362
1913 .....	8,992,150	4,666,091	4,326,059
1914 .....	6,625,352	4,511,947	2,113,405
	\$43,175,523	\$27,237,202	\$15,938,321

An average of \$2,656,387 per annum available for interest.

The above statement of earnings includes all the earnings of the "American Line," the "Red Star Line," the "White Star Line," the "Atlantic Transport Line" and the "Dominion Line," as the Marine Company controls practically all the shares of stock of said Companies, but as the Marine Company does not own all the stock of the "Leyland Line" it includes only the dividends received from that line and not all its earnings to which the Marine Company would have been entitled if all earnings, after allowing for depreciation, had been distributed as dividends, and it is but fair to presume that substantially larger dividends may be expected from that line in the future.

The earnings for the current year, owing to unprecedented existing conditions, promise to be largely in excess of the average for the past six years, but the Committees have not deemed such current earnings as a proper basis for fixing either the capital or the fixed charges of the new Company as the actual final results of this



year's operation, considering possible losses of ships and extraordinary operating expenses, due to necessity for war risk insurance, increase in premiums for usual marine insurance, wages and taxes, is a matter of extreme uncertainty.

After providing new securities for both the Four and One-half Per Cent. Bonds and the Five Per Cent. Bonds to the total amount par value of the principal and accrued interest (to July 1, 1915) of said bonds outstanding, the balance of the proposed securities of the New Company may be acquired by the stockholders of the Marine Company upon payment therefor as provided by the Plan. The stockholders of the Marine Company are reminded that the par value of the securities apportioned to the bondholders does not exceed the amount of the principal and interest of the bonds presently outstanding, and while the par value of the stock apportioned to the stockholders is considerably less than the par value of their present stock, it nevertheless represents an equity in the property of even greater value than is represented by the present stock.

**The proposed Plan effects a reduction in capitalization of approximately \$80,000,000, and a reduction in annual fixed charges of approximately \$1,272,000.**

While the Committees considered that the provision for an annual depreciation of Five per cent. of the cost of the ships will fully maintain the value of the assets of the Company as a going concern, and that the use of a fair proportion of the earnings of the New Company over and above its requirements for fixed charges will supply a substantial fund for the growth and enlargement of the New Company, it has, nevertheless been deemed advisable to provide a reasonable amount of treasury bonds to be available for such purposes; and while the requirements of the Plan of Reorganization only call for a present maximum of \$39,536,240.41 of bonds, the Indenture to secure said bonds will provide for an issue of \$50,000,000. The difference between the actual amount of bonds required for distribution under the plan of reorganization and the total authorized issue of \$50,000,000 will be reserved under suitable restrictions to be used only for increasing the properties of the New Company and its subsidiary companies.

### The New Company.

It is proposed to organize a new company or companies under the laws of such State or States of the United States of America as the Committees may deem desirable, or to use an existing company or companies. The term "New Company" as herein used is intended to mean whatever company may be finally utilized to issue new securities to be used under the Plan.

The New Company will acquire the ships owned by the International Mercantile Marine Company, and either directly or indirectly, through a subsidiary or subsidiary companies (practically all the shares of stock of which subsidiary companies will be owned by the New Company), all the following shares of stock now pledged as security for the Four and One-half Per Cent. Bonds and the Five Per Cent. Bonds, to wit:

Name of Corporation	Outstanding, par value		Pledged	
	Preferred	Common	Preferred.	Common.
International Navigation Company, Limited.....		£700,000		£700,000
Societe Anonyme de Navigation Belge-Americaine .....		Fcs. 13,845,000		Fcs. 13,695,000
Oceanic Steam Navigation Company, Limited.....		£750,000		£750,000
British and North Atlantic Steam Navigation Company, Limited.....		£456,920		£456,870
Frederick Leyland & Company, Limited .....	£1,414,350	£1,200,000	£587,030	£1,184,630
Atlantic Transport Company, Limited .....		£1,000,000		£1,000,000
Atlantic Transport Company of West Virginia .....		\$3,000,000		\$3,000,000

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### Character of New Securities.

**First Mortgage and Collateral Trust Five Per Cent. Convertible Gold Bonds.** These Bonds are to be of a total authorized issue of Fifty million dollars (\$50,000,000), are to bear interest at the rate of Five Per Cent. per annum payable semi-annually, are to mature thirty (30) years from date, redeemable at the election of the New Company on any interest payment date at One hundred and five (105) and accrued interest, and at the election of the holder are to be convertible, at par, into the Six Per Cent. preferred stock of the New Company. The Bonds will be issued in denominations of One hundred dollars (\$100), Five hundred dollars (\$500) and One thousand dollars (\$1,000). Fractional certificates of interest will be issued for new Bonds of less amounts than One hundred dollars (\$100), such certificates of interest to be convertible into bonds when surrendered in aggregate amounts of One hundred dollars (\$100) or multiples thereof. Interest will not be paid on fractional certificates of interest, but will be set aside and reserved to be paid at the time of the conversion of such fractional certificates of interest into bonds. Said bonds will be secured by a first mortgage lien on the ships, and a pledge of the shares of stock, to be acquired by the New Company under the Plan. The Mortgage will contain suitable insurance and depreciation provisions. Except as above provided, all the other terms and provisions of the Bonds and the Indenture to secure the same shall be fixed and determined by the Committees.

### Disposition of New Bonds :

<b>AUTHORIZED ISSUE .....</b>	<b>\$50,000,000</b>
<b>Disposition,</b>	
1. To holders of Four and One-Half Per Cent. Bonds of the Marine Company to Fifty Per Cent. of the amount of the principal thereof and accrued interest thereon to July 1, 1915	\$27,776,206.25
2. To holders of the Five Per Cent. Bonds of the Marine Company to Fifty Per Cent. of the amount of the principal thereof and accrued interest thereon to July 1, 1915....	9,220,066.67
3. For subscriptions of holders of preferred and common stock of the Marine Company .....	2,539,967.50
4. Balance reserved for acquisition of additional properties and securities, and for extensions, betterments and improvements of properties of New Company and its Subsidiary Companies.....	10,463,759.58
<b>Total .....</b>	<b>\$50,000,000</b>



**Six Per Cent. Preferred Stock:**

The holders of preferred stock shall be entitled in preference and priority over the holders of common stock to receive in each fiscal or financial year, when, if and as declared by the Board of Directors out of the net profits, net income or surplus applicable thereto, non-cumulative dividends up to an aggregate amount of Six Per Cent. per annum. The dividends on said preferred stock shall be declared and set apart to be paid to the holders of the preferred stock before any dividend whatsoever for such year shall be declared, set apart or paid on the common stock. After the payment of dividends as aforesaid on the preferred stock, dividends may be declared on the common stock. After the payment of dividends equal to Six Per Cent. on the common stock in any fiscal or financial year, the shares of preferred stock and common stock shall participate at the same rate in any further distribution of earnings or surplus. In event of any reduction in the capital stock of the New Company resulting in a reduction of said preferred stock, either as to number of shares or as to par value thereof, the owners of the shares of said preferred stock so reduced shall be entitled to receive and shall be paid an amount in cash not less than the par value of the amount of the reduction, and the accrued dividends thereon to the date of such reduction. Upon dissolution or liquidation of the New Company by a distribution of capital or otherwise, or in the event of its insolvency, there shall be paid to the owners of such preferred stock then outstanding an amount in cash equal to the par value of their said shares and unpaid declared dividends thereon to the date of such distribution, before any sum shall be paid or assets distributed to the owners of the common stock. After the holders of the preferred stock shall have been paid in cash an amount equal to the par value of their shares and dividends, as above provided, the holders of the common stock shall then be entitled to receive an amount equal to the par value of their shares. After the holders of the common stock shall have received an amount equal to the par value of their shares, the holders of the preferred stock and the common stock shall participate at the same rate in the distribution of any of the remaining assets of the Company. The New Company shall not, without the consent of the owners of record of two-thirds in amount of the then outstanding preferred stock, authorize any stock having equal or superior rights to the said preferred stock, or any increase of the mortgage or secured indebtedness of the Company. The owners of the preferred stock and the common stock shall have equal voting rights, provided however that provision shall be made in the Certificate of Incorporation of

the New Company to the effect that if in any fiscal or financial year the New Company shall fail to pay full Six Per Cent. dividends on its preferred stock, then and in that event at the next ensuing annual or other meeting of the Company for the election of Directors, the holders of the preferred stock shall have the right to elect a majority of the Board of Directors of the New Company, which right to so elect a majority of the Board of Directors shall thereafter continue until the New Company shall for three consecutive years pay full dividends at the rate of Six Per Cent. per annum on said preferred stock.

Except as above provided, the terms and provisions of said preferred stock and the charter provisions relative thereto shall be such as may be determined by the Committee.

### **Disposition of New Preferred Stock.**

**AUTHORIZED ISSUE.....\$81,500,000**

**Disposition :**

1. Reserved for conversion of First Mortgage and Collateral Trust Five Per Cent. Convertible Gold Bonds.....	\$50,000,000
2. The holders of Four and One-half Per Cent. Bonds of the Marine Company to Fifty Per Cent. of the amount of the principal thereof and accrued interest thereon to July 1, 1915 .....	27,776,206.25
3. To holders of the Five Per Cent. Bonds of the Marine Company to Twenty Per Cent. of the Amount of the principal thereof and accrued interest thereon to July 1, 1915..	3,688,026.66
4. At the disposal of New Company.....	35,767.15
<b>Total .....</b>	<b>\$81,500,000</b>

### **Common Stock.**

The common stock shall be issued subject to the rights and priorities of the preferred stock, and no dividends shall be paid thereon in any way prior to the payment of the dividends on the preferred stock for such year. The owners of the common stock, subject to the above provisions as to the preferred stock, shall have equal voting rights with the owners of the preferred stock.

### **Disposition of New Common Stock.**

**AUTHORIZED ISSUE** ..... **\$18,500,000**

**Disposition :**

1. To holders of the Five Per Cent. Bonds of the Marine Company to Thirty Per Cent. of the amount of principal thereof and accrued interest thereon to July 1, 1915... **\$5,532,040. .**
  2. For subscriptions to the holders of preferred stock upon subscribing Two and 50/100 Dollars (\$2.50) per share on their present stock, new common stock to the amount of Twenty Per Cent. of their present stock. **\$10,345,260.**
  3. For subscriptions to the holders of common stock upon subscribing Two and 50/100 Dollars (\$2.50) per share on their present stock, new common stock to the amount of Five Per Cent. of their present stock ..... **\$2,493,620.**
  4. At the disposal of New Company..... **129,080.**
- Total** ..... **\$18,500,000**

### **Par Value of Shares and Fractional Certificates.**

The shares of stock of the New Company, both preferred and common, will be of a par value of One hundred dollars (\$100) per share. Fractional certificates of interest may be issued for new stock of less amounts than One hundred dollars (\$100), such certificates of interest to be convertible into shares of stock when surrendered in aggregate amounts of One hundred dollars (\$100) or multiples thereof. Dividends will not be paid on fractional certificates of interest, but will be set aside and reserved to be paid at the time of the conversion of such fractional certificates of interest into full shares.

**PRIVILEGES OF BONDHOLDERS AND STOCKHOLDERS**  
**and**  
**CONDITIONS FOR PARTICIPATION**  
**in the**  
**PLAN AND AGREEMENT OF REORGANIZATION**

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**Four and One-half Per Cent. Mortgage and Collateral Trust Gold Bonds.** Holders of Certificates of Deposit of The New York Trust Company, and its Agents, issued under Deposit Agreement dated October 2, 1914, not dissenting from the Plan and Agreement of Reorganization, in the manner and within the time, as provided by said Deposit Agreement, will be conclusively presumed to have accepted and assented to the Plan and Agreement of Reorganization, and will be bound by all the terms and provisions thereof.

Holders of said bonds not already deposited under said Deposit Agreement, desiring to avail themselves of the privileges of the Plan and Agreement of Reorganization, must deposit their bonds, together with all coupons thereunto appertaining, maturing October 1, 1914, and subsequently, with The New York Trust Company, as Depositary under said Deposit Agreement of October 2, 1914, or one of its Agents, on or before September 15, 1915.

Holders of said Certificates of Deposit and of said bonds becoming parties to the Plan and Agreement of Reorganization as hereinabove provided, will, upon completion of the reorganization as provided by the Plan and Agreement of Reorganization, be entitled to receive :

(a) First Mortgage and Collateral Trust Five Per Cent. Convertible Gold Bonds of the New Company to the principal amount of Fifty Per Cent. of the principal of the deposited bonds and the accrued and unpaid interest thereon to July 1, 1915 ;

(b) An amount in cash equal to interest at the rate of Five Per Cent. per annum, on the amount of the new bonds to which they will be entitled, from July 1st, 1915 to the date from which the new bonds will draw interest ;

(c) Six Per Cent. Preferred Stock of the New Company to the par value of Fifty Per Cent. of the principal of the deposited bonds and the accrued and unpaid interest thereon to July 1, 1915,



**First Mortgage Sinking Fund Five Per Cent. Gold Bonds.**

Holders of Certificates of Deposit of the Fidelity Trust Company, and its Agents, issued under Deposit Agreement dated November 12, 1914, not dissenting from the Plan and Agreement of Reorganization, in the manner and within the time, as provided by said Deposit Agreement, will be conclusively presumed to have accepted and assented to the Plan and Agreement of Reorganization, and will be bound by all the terms and provisions thereof.

Holders of said bonds not already deposited under said Deposit Agreement, desiring to avail themselves of the privileges of the Plan and Agreement of Reorganization, must deposit their bonds, together with all coupons thereunto appertaining maturing February 1st, 1915, and subsequently, with the Fidelity Trust Company, as Depositary under said Deposit Agreement of November 12, 1914, or one of its Agents on or before September 15, 1915.

Holders of said Certificates of Deposit and of said bonds becoming parties to the Plan and Agreement of Reorganization as hereinabove provided, will, upon the completion of the reorganization as provided by the Plan and Agreement of Reorganization, be entitled to receive

(a) First Mortgage and Collateral Trust Five Per Cent. Convertible Gold Bonds of the New Company to the principal amount of Fifty Per Cent. of the principal of the deposited bonds and the accrued and unpaid interest thereon to July 1, 1915 ;

(b) An amount in cash equal to interest at the rate of Five Per Cent. per annum, on the amount of the new bonds to which they will be entitled, from July 1st, 1915, to the date from which the new bonds will draw interest ;

(c) Six Per Cent. Preferred Stock of the New Company to the par value of Twenty Per Cent. of the principal of the deposited bonds and the accrued and unpaid interest thereon to July 1, 1915 ;

(d) Common Stock of the New Company to the par value of Thirty Per Cent. of the principal of the deposited bonds and accrued and unpaid interest thereon to July 1st, 1915.

**Stock.** Holders of the preferred stock and the common stock of the Marine Company, or Stock Trust Certificates therefore, desiring to participate in the Plan and Agreement of Reorganization must deposit their certificates with The New York Trust Company, as Depositary under this Plan and Agreement, or one of its Agents to receive such deposits, on or before September 15, 1915. Stockholders



and holders of Stock Trust Certificates at the time of depositing their certificates must pay to the Depositary, or one of its agents, for the account of the Committee, two dollars and fifty cents (\$2.50) for each share of stock represented by the certificates deposited. Payments made in London and Amsterdam to be at the then current rate for New York exchange.

The certificates of stock and stock trust certificates when deposited must be endorsed in blank or be accompanied by executed assignments and powers of attorney, in blank, authorizing the transfer thereof. The certificates when deposited must also be accompanied either by stock transfer stamps, as required by the laws of the State of New York, and of the United States, or cash in lieu thereof, sufficient in amount to effect the transfer of said certificates, or by proxies and powers of attorney, in form approved by the Committee, in the names of the registered owners of such deposited certificates, to vote the stock represented thereby at any and all meetings of stockholders or other meetings whatsoever whereat such stock or stock trust certificates may be entitled to be voted as well as all such other instruments, documents and powers of attorney as may be required by the Committee or a Depositary.

Depositors will receive transferable certificates of deposit for the shares of stock and stock trust certificates deposited in such forms as may be approved of by the Committee.

**Holders of Preferred Stock or Stock Trust Certificates for Preferred Stock**, upon becoming parties to the Plan and Agreement of Reorganization, in the manner above provided, will, upon the completion of the reorganization, as provided by the Plan and Agreement of Reorganization, be entitled to receive :

(a) First Mortgage and Collateral Trust Five Per Cent. Convertible Gold Bonds of the New Company to the principal amount of the subscriptions paid by them.

(b) Common stock of the New Company to the par value of twenty per cent. (20%) of the shares of stock represented by the deposited certificates.

**Holders of Common Stock or Stock Trust Certificates for Common Stock**, upon becoming parties to the Plan and Agreement of Reorganization, in the manner above provided, will, upon the completion of the reorganization, as provided by the Plan and Agreement of Reorganization, be entitled to receive :

(a) First Mortgage and Collateral Trust Five Per Cent. Convertible Gold Bonds of the New Company to the principal amount of the subscriptions paid by them ;

(b) Common stock of the New Company to the par value of five per cent. (5%) of the shares of stock represented by the deposited certificates.

### **General Provisions.**

The Committee will endeavor to carry out the proposed Plan of Reorganization but neither it nor any of the members thereof assume any personal responsibility for the execution thereof or for the result of any steps taken or acts done for the purposes thereof, nor does the Committee guarantee the accuracy of the figures, estimates and representations hereof, the same having been obtained from sources deemed entirely trustworthy by the Committee.

If for any reason the Plan of Reorganization or an amended or modified plan of reorganization shall not be declared operative and made effective by the Committee, then and in that event the deposited securities and claims and cash, less the actual expenses incurred by the Committee hereunder in respect thereto, shall be returned to the depositors without prejudice to any of the rights of the security holders and creditors.

In order to enable the Committee to carry out and give effect to the proposed Plan of Reorganization the Committee has caused to be prepared the annexed agreement subject to the terms and conditions of which all assents to the Plan and Agreement are to be received and all deposits and payments received, held and used and certificates of deposit issued.

**Securities must be deposited with the Depositaries or their Agents in accordance with the instructions herein contained on or before September 15, 1915.**

Dated August 3, 1915.

**Otto T. Bannard,** Chairman,

**Andrew J. Miller,**  
Vice-Chairman,

**Frederick H. Shipman,**  
**Sidney F. Tyler,**  
**Albert H. Wiggin,**  
**L. G. Myers,**

**William P. Gest,**  
Vice-Chairman,

**T. Dewitt Cuyler,**  
**Samuel F. Houston,**  
**Charles D. Norton,**  
**George S. Brewster,**  
**Benjamin Thaw.**

## INTERNATIONAL MERCANTILE MARINE COMPANY.

## AGREEMENT OF REORGANIZATION.

**This Agreement**, dated August 3, 1915, made by and between

(1) OTTO T. BANNARD, ANDREW J. MILLER, FREDERICK H. SHIPMAN, SIDNEY F. TYLER, ALBERT H. WIGGIN, L. G. MYERS, WILLIAM P. GEST, T. DEWITT CUYLER, SAMUEL F. HOUSTON, CHARLES D. NORTON, GEORGE S. BREWSTER and BENJAMIN THAW, who are hereby constituted the Reorganization Committee (hereinafter referred to as the "Committee"), parties of the first part; and

(2) Holders of the following "securities," to wit:

(a) Certificates of Deposit of The New York Trust Company, as Depositary, and its Agents, issued under the certain Deposit Agreement, dated October 2, 1914, for the deposit thereunder of Four and One-Half Per Cent. Mortgage and Collateral Trust Gold Bonds, hereinafter in this agreement called the "Four and One-half Per Cent. Bonds", of the International Mercantile Marine Company;

(b) Four and One-half Per Cent. Mortgage and Collateral Trust Gold Bonds of the International Mercantile Marine Company;

(c) Certificates of Deposit of the Fidelity Trust Company, as Depositary, and its Agents, issued under the certain Deposit Agreement, dated November 12, 1914, for the deposit thereunder of First Mortgage Sinking Fund Five Per Cent. Gold Bonds, hereinafter in this agreement called the "Five Per Cent. Bonds", of the International Navigation Company, now the International Mercantile Marine Company;

(d) First Mortgage Sinking Fund Five Per Cent. Gold Bonds of the International Navigation Company, now the International Mercantile Marine Company;

(e) Preferred Stock and Stock Trust Certificates for Preferred Stock of the International Mercantile Marine Company; and

(f) Common Stock and Stock Trust Certificates for Common Stock of the International Mercantile Marine Company,

who shall become parties to this Agreement, in the manner hereinafter provided, and their assigns, transferees and successors in interest, all of whom are hereinafter termed the "Depositors," parties of the second part. Witnesseth;

WHEREAS the Committee constituted under and by virtue of the certain Deposit Agreement, dated October 2, 1914, for the protection of the interests of holders of the Four and One-Half Per Cent. Bonds and the Committee constituted under and by virtue of the certain Deposit Agreement, dated November 12, 1914, for the protection of the interests of holders of the Five Per Cent. Bonds have severally and respectively prepared, approved and adopted, in accordance with the provisions of said respective agreements, the foregoing Plan of Reorganization (pages 1 to 15), hereinafter called the "Plan," as and for the Plan for the reorganization of the International Mercantile Marine Company; and

WHEREAS the Committee, parties hereto of the first part, have agreed to act as a Reorganization Committee, under the terms, provisions and conditions of this Agreement, and to endeavor to carry out and give effect to said Plan and this Agreement.

NOW, THEREFORE, such of the holders of the above mentioned certificates of deposit, bonds, shares of stock and stock trust certificates, as may become parties hereto in the manner hereinafter provided, in consideration of the premises and the advantages and benefits to accrue to them, respectively,

from the carrying out of the said foregoing Plan of Reorganization and this Agreement concerning the same, and of One Dollar (\$1.00) each to the other interchangeably in hand paid, the receipt whereof is hereby acknowledged, do hereby, each for himself and not the one for the others or any of the others, agree with each other and with the Committee and its successors and the Depositaries and their Agents, as follows, that is to say:

FIRST. A printed copy of this Agreement signed by the members of the Committee and lodged with The New York Trust Company shall be held and taken to be the original Agreement. The Agreement may, however, be executed in any number of counterparts, all of which together shall be deemed to be but one instrument. The foregoing Plan is, and shall be taken to be, a part of this Agreement, with the same effect as though each and every provision thereof had been embodied herein, and said Plan and this Agreement shall be read as parts of one and the same instrument; but no estimate, statement, explanation or suggestion contained in the said Plan or this Agreement, or in any circular issued or which may hereafter be issued, is intended or is to be accepted as a representation or warranty or as a condition of deposit or assent under the Plan and Agreement, and no defect or error shall release any deposit under the Plan and Agreement, or effect or release any assent thereto, except by written consent of the Committee.

SECOND. Holders of the above mentioned securities will or may become parties to this Agreement by complying with, or acquiescing in, the conditions for participation in the Plan of Reorganization as set forth in said Plan of Reorganization.

THIRD. Certificates of Deposit to be issued by the Depositaries and their Agents shall be in form approved by the Committee, and Depositors and their transferees shall, by accepting such Certificates of Deposit, become parties to this Agreement, with like effect as if they had signed the same. Depositors, whenever required, either at the time of making their respective deposits or afterwards, shall, upon demand of the Committee, execute such additional transfers, assignments and powers of attorney as may be required by the Committee for the purpose of enabling said Committee to carry out this Agreement. The Certificates of Deposit shall only be transferable subject to the terms and conditions of this Agreement and in such manner as the Committee shall approve; and upon such transfer all rights of the Depositors in respect of the deposited securities represented by such Certificates of Deposit and all rights under the Certificates of Deposit transferred shall pass to the transferee, and the transferee as holder of such Certificates of Deposit shall for all purposes be substituted in place of the prior holder, subject to this Agreement. All such transferees as well as the original holders of Certificates of Deposits are embraced under the term "Depositors" as used herein. Each Certificate of Deposit may be treated by the Committee and by the Depositaries and their Agents as a negotiable instrument and the holder for the time being may be deemed to be the absolute owner thereof, and of all the rights of the original depositor, and neither the Depositaries and their Agents nor the Committee shall be affected by any notice to the contrary. The term "Depositors" whenever used herein is intended, and shall be construed, to include not only persons acting in their own right but also trustees, committees, guardians, agents and all persons acting in a representative or fiduciary capacity and those represented by or claiming under them, as well as partnerships, associations, joint stock companies and corporations. No rights hereunder shall accrue in respect of any securities mentioned in this Agreement, unless and until the same shall have been subjected to the operation of this Agreement as herein provided.

FOURTH. September 15, 1915, shall be the limit of time within which deposits may be made hereunder and depositors thereof become parties to the Plan and Agreement, but the Committee, in its discretion, either generally or in special instances, may extend such time or renew the period or periods fixed or limited for such deposits, such extensions of time to be upon such terms and conditions as the Committee may see fit to fix. Holders of securities not deposited within the periods respectively fixed or limited therefor, shall not be entitled to deposit the same or become parties to this Agreement and to



share in the benefits hereof or to acquire any rights hereunder, except upon obtaining the express consent of the Committee, who may in each case withhold or give such consent in its absolute discretion, and upon such terms and conditions as it may see fit.

The Committee may accept, or may authorize and direct the acceptance of a surrender, from any Depositor, of any certificate of deposit issued hereunder, and upon receipt thereof and in exchange therefor, may surrender and deliver, or cause to be surrendered and delivered, securities of the class and to the amount therein stated.

FIFTH. The Deposit Agreement, dated October 2, 1914, for the deposit thereunder of Four and One-half Per Cent. Bonds and the Deposit Agreement, dated November 12, 1914, for the deposit thereunder of the Five Per Cent. Bonds, shall remain in full force and effect, anything herein to the contrary notwithstanding, and the respective Committees named in said agreements and their successors, whether heretofore or hereafter appointed, shall continue to have all the powers and rights vested in it by said agreements until said agreements shall be terminated in the manner in said agreements respectively provided; said Committees, in addition to the powers and duties vested in them by said agreements, being expressly authorized and directed by the Depositors, upon the Plan and Agreement of Reorganization being declared operative, to do all such acts and things as to said Committees and their successors, may seem proper to carry out the Plan and Agreement of Reorganization.

SIXTH. Until the Plan of Reorganization shall, by the Committee, be declared operative, the full and complete ownership of the deposited cash and securities, shall remain unimpaired in the respective Depositors thereof or the assignees of their Certificates of Deposit, subject to said Deposit Agreements and this Agreement. If and when the Plan of Reorganization shall be declared operative by the Committee all the deposited cash and securities shall thereafter be held by the Depositaries and their Agents subject to the order and direction of the Committee for the purpose of carrying out and giving effect to the Plan and Agreement of Reorganization. It is expressly understood, however, that the deposited preferred and common stock and stock trust certificates in respect thereof, is not transferred or assigned to the Committee or the Depositaries or their Agents, but is only to be held subject to the order and direction of the Committee.

SEVENTH. The Committee shall be the sole and final judge as to when and whether sufficient assents and deposits shall have been received and other conditions warrant it in declaring the Plan operative, and attempting to carry the same into effect. The Committee agrees to use its best efforts to carry out and to give full force and effect to the Plan and Agreement of Reorganization. The Committee may construe this Agreement, including the Plan of Reorganization, and its reasonable construction or action in regard thereto shall be final and conclusive. It may supply any defect or omission, or reconcile any inconsistency in such a manner and to such extent as shall be deemed by it necessary to carry out this Agreement properly and effectively, and it shall be the sole judge of such necessity; and whenever it shall deem it proper, either before or after declaring the Plan or any new plan, or supplemental or amended plan operative, it shall have power to abandon or to alter or modify or to depart from such Plan or any part thereof, or to submit a new or supplemental Plan. At any time or times, after any such partial abandonment, it may restore to the Plan any abandoned part or parts thereof, and it may seek to carry the same into effect as fully as if such part or parts had not been abandoned. It also may attempt to carry the Plan into effect rather than abandon or modify the same, even though it be manifest that as carried out the Plan must depart from the original Plan or from some part thereof. But in case of any intentional change or modification or departure from the Plan which in the judgment of the Committee shall materially affect any of the several classes of Depositors or their mutual relations, or, in case of the adoption of a new or supplemental Plan, or the entire abandonment of the Plan, a statement of such proposed change, modification, departure or abandonment, or such new or supplemental Plan shall be filed with the Depositaries and their Agents and notice of the fact of such change, modification



or departure or the adoption of a new or supplemental Plan and the filing thereof shall be given by publication of a brief notice thereof once in each week for three successive weeks in two newspapers of general circulation published in the Borough of Manhattan, City of New York, and in two newspapers of general circulation published in the City of Philadelphia, Pa., and in one newspaper of general circulation published in London, England, and in one newspaper of general circulation published in Amsterdam, Holland, in which event unless within ten days after the last publication of said notices the holders of Certificates of Deposit shall notify one of the Depositaries or their Agent in writing that they do not assent to such changes, they may at the election of the Committee be deemed to have assented to the proposed changes and modifications or departures or such new or supplemental Plan and shall be bound thereby as fully and effectually as if they had personally, individually and affirmatively assented thereto. Prior to the expiration of said period non-assenting Depositors may surrender their respective certificates of deposit and may withdraw the securities and cash represented thereby or the proceeds thereof, or the substitutes therefor then under the control of the Committee to the amount indicated in such certificates, provided, however, that in every case of withdrawal, the withdrawing depositors, severally and respectively, shall, if required by the Committee, make payment of their shares of the expenses of the Committee to date of withdrawal as apportioned by the Committee. Any changes or modifications so made by the Committee shall thereupon become and be part of this Plan and Agreement, and all provisions hereof concerning the present Plan and Agreement shall apply to the Plan so changed and modified. This Agreement is in all respects to be liberally construed to enable the Committee to carry into effect such plan of reorganization as it may finally declare operative.

EIGHTH. In case the Committee shall, prior to declaring the Plan of Reorganization or any modified Plan operative, abandon the Plan or in case the Plan of Reorganization or a modified Plan, approved as hereinbefore provided, shall not be declared operative by the Committee on or before October 2, 1917, the respective Depositors or the assignees of their respective Certificates of Deposit, shall be entitled, upon request, to a return of their deposited securities and cash, upon payment, however, of their respective share of the expenses and disbursements of the Committee to date as apportioned by the Committee. In case the Committee shall for any reason find it necessary to abandon the said original or a modified or substituted Plan and Agreement of Reorganization, before or after the same has been declared operative, the deposited securities and moneys, under the control of the Committee, or their proceeds, or any of the securities received in respect thereof and then remaining under the control of the Committee, shall be delivered to the several Depositors in amounts representing their respective interests hereunder, upon surrender of their respective certificates and payment of the apportioned share of the Committee's expenses as above provided. In any such case, any securities or property acquired with or on account of deposited securities, or the proceeds thereof when received shall be equitably distributed or adjusted among the respective Depositors. The Committee shall not be held liable for any loss of any money disbursed or expended by it for the purposes of the Plan and Agreement, nor for any depreciation in value of any property or securities, and the Depositors shall have no claim to the repayment of any such moneys except to the extent of their ratable shares of such moneys, or the proceeds at the time remaining in the hands of or subsequently collected by the Committee. Notwithstanding any of the provisions of this Agreement the pecuniary liability of the Depositors shall be confined to the deposited securities and to the respective payments of cash made pursuant to the Plan, and no liability in excess thereof shall be assessed against the Depositors, but the Committee, its successors and assigns shall have a lien upon the deposited securities and cash for any expenditures made or liabilities incurred by them in respect thereto.

If the Plan of Reorganization shall not be fully carried out or shall fail or be abandoned, and any person, committee, firm or corporation shall commence, carry on, further or attempt to obtain or receive any benefit or advantage whatsoever from any litigation arising out of the affairs, business, contracts or organization of the Marine Company, whether the same be now pending or may hereafter be commenced, neither the Plan of Reorganization or this Agreement nor any of its terms or admissions shall have any force or effect whatsoever either at law or in equity either by way of admission, assent, waiver, estoppel

or otherwise, and neither this Agreement nor any instrument connected herewith shall be offered, received or read in evidence in any way or at any time to affect the rights, claims or liabilities of the Depositors.

NINTH. If and when the said Plan of Reorganization shall be declared operative by the Committee, the Depositors hereby make, constitute and appoint, each for himself, the said Otto T. Bannard, Andrew J. Miller, Frederick H. Shipman, Sidney F. Tyler, Albert H. Wiggin, L. G. Myers, William P. Gest, T. DeWitt Cuyler, Samuel F. Houston, Charles D. Norton, George S. Brewster and Benjamin Thaw, and their successors, or a majority of them, as such Committee, the true and lawful attorneys of each of them for the purposes in this Agreement and in said Plan set forth, with full power and authority to act for and in the name, place and stead of each of them, with full power of substitution from time to time and of revocation. The Depositors hereby request the Committee to endeavor to carry the Plan into practical operation in its entirety, or, with such changes as may be approved by the Depositors as hereinbefore provided, to such an extent and in such manner and with such conditions, exceptions and modifications as the Committee shall deem to be for the best interests of the Depositors, and of the properties and securities to be finally embraced in the reorganization. Subject to the condition of said Plan being declared operative by the Committee, each and every Depositor, for himself and not one for any of the others, does hereby, in consideration of the benefits to be received under the Plan and Agreement of Reorganization, sell, assigns, transfers and sets over to the Committee, and to its successors, assigns or nominees, each and every security and claim in respect thereof deposited hereunder, except the shares of deposited stock, and stock trust certificates, and every Depositor hereby agrees that the Committee shall, at its election, be vested with all the rights and powers of owners of the securities deposited hereunder, including the right to transfer the same into their own names, or into the name of any other person or persons, party or parties it may select, and (without limiting the foregoing provision) it is hereby declared that the Committee shall be fully authorized in its discretion to call, attend, and either in person or by proxy vote the deposited securities at any meeting of stockholders, stock trust certificate holders, bondholders, creditors or otherwise, however convened; to use every such security as fully and to the same extent as the owner or holder thereof might or could do; to declare due the principal of any bond deposited hereunder, or to demand that it be declared due, and to revoke any such declarations whenever made; to instruct and direct the Trustees under the Indentures securing said Four and One-half Per Cent. Bonds and said Five Per Cent. Bonds, or any of said Trustees, and the Committees acting respectively under the hereinbefore mentioned Deposit Agreements dated respectively October 2nd and November 12th, 1914, and to confirm in and to give to the said Trustees and Committees or any of them all such powers as in the judgment of the Committee may be necessary or advantageous in carrying out said Plan and this Agreement or may result to the advantage of the Depositors; and generally in all respects to exercise any and all power which may be necessary or proper to enable the Committee and its successors or a majority of them to carry out the intentions of this Agreement. All the rights, powers and privileges vested in the Committee by this article are expressly subject to the condition precedent that the Plan of Reorganization shall have been declared operative by the Committee.

TENTH. If and when the said Plan of Reorganization shall be declared operative by the Committee, the Committee may make such expenditures and incur such indebtedness, obligations and liabilities and do such acts as the Committee in its absolute discretion may deem judicious and proper in order to carry out fully and effectively the purposes of this Agreement; it may borrow and use such sums of money upon such terms and subject to such conditions as in its discretion it may deem wise or necessary in the interest of the Depositors, and for that purpose and to secure such sums as may be so borrowed, it may pledge and hypothecate any or all of the securities which may be deposited hereunder and use the payments made by the Depositors. The Committee is authorized in its discretion to lend money to the Marine Company, or its Receiver, or any of its subsidiary companies, or the New Company; to borrow and expend or loan money in its discretion for any of the purposes of this Agreement for the protection or benefit of the property or securities of the

Marine Company, or the New Company; to institute or to become parties to any legal proceeding; to apply for the appointment or for the removal of receivers and trustees and the substitution of other receivers and trustees, or for the termination of any receivership or trusteeship, or the delivery of any property to its owners; to enter into any agreements or arrangements whatsoever tending towards or deemed by it in its discretion likely to promote the consummation of this Agreement; to bid or to refrain from bidding at any sale, either public or private, either in separate lots or as a whole, for any securities or property, or any part thereof, whether or not owned, controlled or covered by any deposited security, including or excluding any particular securities or property, or any portion thereof, real or personal; the committee being vested with absolute discretion in limiting the amount of any bid or price by it to be made or paid for any property or securities sold under decrees of foreclosure or otherwise notwithstanding that the non-purchase of such property may compel the abandonment of the Plan of Reorganization; to acquire or settle any claims against the Marine Company or any of its subsidiary companies or any portion of its or their securities and property and to obtain judgment thereon, and to sell all or any part of the property or securities of the Marine Company on execution or by foreclosure, bankruptcy proceeding or through a creditor's bill or otherwise, and at, before or after any sale, to arrange and agree for the resale of any portion of the securities or other properties which it may decide to sell rather than to retain; to hold any securities or property purchased by it, either in the name of the Committee, or some of them, or in the names of persons or corporations by it chosen for the purposes of this Agreement; to apply securities deposited or embraced hereunder, or payments of cash made hereunder, or any new securities to be issued hereunder in satisfaction of any bid or towards obtaining funds for the satisfaction thereof; to receive and dispose of, in accordance with any of the provisions of said Plan and of this Agreement, the new securities to be created and to vote upon all stock or other securities of any corporation for all purposes in its judgment necessary to carry out said Plan and this Agreement or for the benefit of the New Company until the new stock or certificates representing such stock shall be delivered to the Depositors, or whoever shall be entitled to receive the same; to collect, distribute and pay interest if collected upon deposited securities, or to pay interest upon the new securities before their delivery to Depositors and to apply for that purpose any funds collected or borrowed by it, any such payments to be endorsed on the Certificates of Deposit. The Committee may acquire or extinguish or hold for such time, in such manner and upon such terms as it may deem proper any obligation in the nature of a floating debt, or otherwise, against the Marine Company, and any securities held as collateral for any such obligation, and may surrender or cancel any such securities or obligation; nothing in this Agreement, however, is intended to constitute or create nor shall it constitute or create any liability towards or duty in favor, or in respect of, any such obligation nor to require the Committee to exercise any of the enumerated powers, except in its discretion, nor to limit the general powers hereinbefore conferred. All moneys paid under or with reference to this Agreement shall be subject to application for any of the purposes of this Agreement as may be most convenient, and as from time to time may be determined by the Committee, whose determination as to the propriety and purpose of any such application shall be final and conclusive. But nothing in this Agreement shall be understood as limiting or requiring the application of specific moneys to specific purposes. All the rights, powers and privileges vested in the Committee by this Article are expressly subject to the condition precedent that the Plan of Reorganization shall have been declared operative by the Committee.

ELEVENTH. The New Company or Companies may be formed under the laws of such State or States as the Committee may deem most desirable. Such New Company or Companies shall have all such powers, privileges, limitations and conditions as the Committee may determine, and the Committee shall have the right to select the first Board of Directors or Trustees and Officers of such New Company or Companies. The Committee may negotiate, and may contract, with any companies or persons, for the acquisition of additional property for use in the operation of the business of the Marine Company or any of its subsidiary companies or the New Company or Companies, or for obtaining or for granting terminal facilities, exchanges of property, or any other convenience which it may deem necessary or desirable to obtain or to grant, including arrangements for consolidation, sale or lease; and it may make contracts



therefor binding the New Company or Companies; and generally it may make and may ratify such proposed contracts, stipulations or arrangements as in its opinion will operate directly or indirectly to aid in the preservation, improvement, development or protection of the business of the Marine Company or any subsidiary company, or any property which the Marine Company or any subsidiary company shall have contracted to acquire; or to prevent or avoid opposition to or interference with the successful operation hereof. The Committee may procure the organization of one or more new companies, or they may adopt or use any existing or future companies, and they may cause to be made such consolidations, leases, sales or other arrangements, and such conveyances and transfers of any properties, leases or securities acquired by them, and take such other proceedings as they may deem proper for the purpose of creating the new securities provided for in the Plan and for carrying out of any of the provisions thereof, or for attaining any object sought to be accomplished thereby, even though not therein specifically declared.

TWELFTH. In case of any claim, lien or obligation, not herein fully provided for, and affecting said Marine Company, or any property or securities thereof, the Committee may from time to time purchase or acquire the same or make such compromise with respect thereto, or such provision therefor as it may deem suitable, and may use therefor any cash received under the Plan or any securities not expressly required for the Depositors under this Agreement. Any action contemplated in this Plan to be performed on or after completion of the reorganization may be taken by the Committee at any time when it shall deem the reorganization advanced sufficiently to justify such course and the Committee, as it may deem necessary, may defer the performance of any provision of this Agreement or may commit such performance to the New Company, and may cause the New Company to pay any indebtedness authorized or incurred by the Committee and to assume any obligations which in the judgment of the Committee may be necessary or proper in order to carry out the Plan and Agreement of Reorganization. It may also, in its discretion, set apart and hold in trust, or place in trust with any company, any part of the new securities, or cash or otherwise as it may deem judicious for the purpose of securing the application thereof for any of the purposes of this Agreement or the uses of the New Company or its successor. Any cash or securities not needed by the Committee for the purposes of the Plan shall be by it turned over to the New Company, and any securities so turned over to the New Company may be treated as treasury securities.

THIRTEENTH. From time to time for the purpose of carrying this Agreement into effect or of obtaining assents thereto, the Committee, either generally or in special instances, may make contracts with any person, syndicate or corporation in respect of any matter connected with the reorganization, and in its discretion, either generally or in special instances, and upon such general or special terms and conditions as it may deem proper, may arrange to procure the deposit of securities hereunder, or purchase and deposit the same. The Committee may employ counsel, agents and all necessary assistants, and may incur and discharge any and all expenses by it deemed reasonable for the purposes of the Plan. It shall be the sole judge of the propriety and expediency of any and all expenses, and of the amount thereof. The members of the Committee shall be entitled to a reasonable compensation for their services. The compensation and expenses of the Committee shall be paid as part of the reorganization expenses out of any funds in the possession of the Committee or by the Marine Company, or by any new company to be formed, and to secure payment of such expenses the Committee shall have a first lien on the securities deposited hereunder and upon the cash paid to the Committee. It may prescribe or approve the form of all certificates of incorporation, securities, mortgages and all instruments and agreements at any time to be issued or entered into.

FOURTEENTH. The Committee shall have the sole control, direction and management of this Plan and Agreement. It shall have power to make equitable provision for any case of lost or destroyed bonds, certificates of stock, stock trust certificates, certificates of deposit or other obligations, and to provide for and make such issues of convertible securities as shall be necessary to properly represent any fractional interest in the new securities, and it may, in its discretion, settle for and adjust any such fractional

interest in cash. In case it shall deem it advisable for any reason it may issue temporary or interim certificates to represent new securities. The Committee may at any time increase the number of members to constitute such Committee and may by a majority vote appoint such additional members, and may likewise fill any vacancy, but need not necessarily do so, and the Committee, as at any time constituted, notwithstanding any vacancy, shall have all the powers, rights and privileges of the Committee as originally formed. Any member of the Committee may resign by giving notice of his resignation in writing to the Chairman or a Vice Chairman of the Committee, or to all the other members of the Committee. The affirmative vote of a majority of the members of the Committee, as at any time constituted, shall be necessary for the passage of any resolution (but a member of the Committee may vote by proxy at any meeting of the Committee), and such affirmative vote of the majority shall be final and binding upon the Committee. It shall not be necessary for the members of the Committee formally to meet in order to take any action, provided such action is embodied in writing signed by a majority of the members of the Committee. The Committee may adopt rules for the calling and holding of its meetings and for the government of its procedure in all respects; and the Committee may from time to time make, alter or rescind such rules and regulations. The Committee may elect a Chairman and Vice-Chairmen, and may appoint a Secretary and Assistant Secretaries to keep the records of its acts and proceedings. The Secretary and Assistant Secretaries need not be members of the Committee. It may from time to time choose such other officers and agents, and designate or cause to be designated such committees or sub-committees as it may deem necessary or desirable, and also confer upon any of its officers, agents, committees, or sub-committees such power or powers as it may deem necessary or proper. Any action taken by an officer or agent or sub-committee, within the power conferred on them by the Committee, shall be the action of the Committee, and the certificate of the Chairman or a Vice Chairman or the Secretary or an Assistant Secretary as to any action taken by the Committee shall be conclusive upon all the Depositors as to all acts and things so certified to have been done by the Committee and full and complete evidence thereof in favor of the Depositories and their Agents.

FIFTEENTH. The Committee undertakes to endeavor to execute and carry into effect this Plan and Agreement of Reorganization, but neither it, nor any of the members thereof, nor the Depositories and their Agents, assume any personal responsibility for the execution hereof or any part hereof, or for the result of any steps taken or acts done for the purposes hereof. Neither the Committee, nor any member thereof, nor the Depositories or their Agents, shall be personally liable for any act or omission of any agent or employee selected by them, or any of them, or for any error of judgment or mistake of law or fact, or in any case, except for its or their own wilful misconduct; and neither the Depositories or their Agents nor the Committee shall be personally liable for the acts or defaults of the other. The Committee may act by any sub-committee or agents, and may delegate any authority, as well as discretion, to any sub-committee or agent. It shall have the right to form or procure the formation of any syndicate or syndicates, or to enter into any underwriting agreement which it may deem necessary or advantageous for carrying out the purposes of this Plan, upon such terms and conditions as it may deem advisable. The terms of any such syndicate or underwriting agreement shall be fixed by the Committee and as so fixed shall be binding and conclusive upon all parties. The Committee, or any member thereof, and the Depository, may be or become pecuniarily interested in any contracts, property or matters which this Agreement concerns, including participation in or under any syndicate or underwriting agreement as managers, members, subscribers, or otherwise. Any direction given by the Committee shall be full and sufficient authority for any action of the Depositories and their Agents, or the Trustees under the Indentures securing the Four and One-half Per Cent. Bonds and the Five Per Cent. Bonds, or any of said Trustees or the respective Committees acting under the hereinbefore mentioned Deposit Agreements dated respectively October 2nd and November 12th, 1914, or any sub-committee, attorneys or agents. The Depositories and their Agents shall incur no liability for anything done or permitted at the request or direction of the Committee, the securities deposited, subject to the terms and conditions of this Agreement, being intended to be wholly at the order and under the control of the Committee, nor shall the Depositories and their Agents be liable under any



circumstances whatsoever except for their own willful misconduct; all such directions or instructions given to, or such powers conferred upon, or such acts by the Depositaries and their Agents, the Trustees under the Indentures securing the Four and One-half Per Cent. Bonds and the Five Per Cent. Bonds, or any of said Trustees, or the respective Committees acting under the hereinbefore mentioned Deposit Agreements dated respectively October 2nd and November 12th, 1914, shall be binding upon the Depositors, notwithstanding the termination of the Plan, or the abandonment or modification thereof, or the return of the securities. Any direction given by the Committee evidenced by writing signed by one of the Secretaries thereof, shall be full and sufficient authority for any action by the Depositaries or their Agents. The accounts of the Committee may be filed with the Board of Directors of the New Company within one year after the reorganization shall have been completed, and when approved by such Board of Directors shall be final, binding and conclusive upon all parties having any interest therein, and thereupon the Committee shall be discharged. The acceptance of the new securities by any Depositor shall estop such Depositor from questioning the conformity of such securities in any particular to any provisions of the Plan, and shall constitute full ratification of all the acts and proceedings of the Committee.

SIXTEENTH. The Securities deposited under this Agreement, and all securities and claims purchased or otherwise acquired under this Agreement, shall remain in full force and effect for all purposes, and shall not be deemed merged, satisfied, released or discharged by the delivery of new securities, and no legal right or lien shall be deemed released or waived unless in its discretion in carrying out this plan the Committee shall so provide; but said securities, and any judgment upon any of such securities and judgments for deficiencies, and all liens and equities shall (except the Committee shall otherwise provide) remain unimpaired, and may be enforced by the Committee, or by any assignee of the Committee, until paid or satisfied in full or expressly released. Neither the Committee nor any depositor shall, by becoming parties to this Agreement, release, surrender, waive or merge any lien, right or claim which they may have, in favor of any other party, and all such liens, rights or claims shall vest unimpaired in the Committee and their assigns. Upon the completion of the Reorganization all claims, rights and demands by or on account of deposited securities, as against assenting stockholders, on account of any stockholders' liability, or liability on account of subscription to capital stock or delivery or acceptance of shares of capital stock, shall be waived and released. No right is conferred or created hereby, nor is any liability or obligation incurred by this Agreement, or assumed hereunder in favor of any Depositor with respect to any securities deposited under this Agreement, or any moneys paid to or received by the Committee or the Depositaries or their Agents hereunder, or with respect to any property acquired by purchase at any foreclosure or other sale, or with respect to any new securities to be issued hereafter, or with respect to any other matter or thing except as herein expressly provided.

SEVENTEENTH. The Plan and Agreement of Reorganization shall be construed as strictly an Agreement between the parties and as solely affecting and relating to the Committee, Depositaries and their Agents and Depositors hereunder and shall bind and benefit the several parties hereto, their and each of their survivors, heirs, executors, administrators, successors and assigns.

EIGHTEENTH. The enumeration of specific powers hereby given shall not be construed to limit or to restrict the general powers herein conferred or intended so to be, and it is hereby distinctly declared that it is intended to confer on the Committee, in respect of all securities deposited, or to be deposited, and in all other respects, any and all powers which the Committee may deem necessary or expedient in or towards carrying out or promoting the purposes of the Plan and this Agreement in any respect as now existing, or as the same may be modified or amended, even though any such powers be apparently of a character not now contemplated; and the Committee may exercise any and every such power as fully and effectively as if the same were herein distinctly specified, and as often as for any cause or reason it may deem expedient. The method and means to be adopted towards carrying out said Plan of Reorganization and this Agreement shall be entirely discretionary with the Committee.

NINETEENTH. Any Depositary or Agent of a Depositary may resign or may at any time be removed by the Committee. The resignation of a Depositary or Agent of a Depositary shall become effective by a notice of a desire of a Depositary or an Agent of a Depositary to resign, given to the Chairman or a Vice Chairman of the Committee, at least fifteen (15) days before such resignation becomes effective, unless the Committee shall waive such notice and accept a shorter notice. A successor as a Depositary or Agent of a Depositary may be appointed by the Committee in the event of the resignation or removal of a Depositary or Agent of a Depositary. Such successor shall be vested with all the powers, rights, duties and obligations of the original Depositary or Agent with the same effect as if such Depositary or Agent so appointed had been originally a party to this instrument.

A Depositary or Agent of a Depositary which shall resign or be removed shall deliver to the new Depositary or Agent of a Depositary which may be appointed, the securities or property deposited with it by the Depositors, or the securities or property deposited with it by the Committee for delivery to the Depositors, and the Depositary or Agent of a Depositary for the time being shall comply with the obligations of any predecessor Depositary or Agent of a Depositary issuing receipts hereunder with the same effect as though issued by such Depositary or Agent of a Depositary. The Depositaries and their Agents shall not be responsible or liable as to the validity or regularity of any of the Securities deposited hereunder. Neither shall the Depositaries and their Agents be liable for any act or omission of any agent or employee selected by them in good faith or for any error of judgment or mistake of law or fact, or in any case, except for its own willful misconduct.

The term "Depositary" wherever used in this instrument shall refer in every instance to a Depositary which may at the time be acting as such under this Agreement.

IN WITNESS WHEREOF, the members of the Committee have subscribed their names to this Agreement as of the day and year aforesaid, and the parties of the second part have or are to become parties hereto in the manner as provided by said Plan and this Agreement.

**Otto T. Bannard,  
William P. Gest,  
Andrew J. Miller,  
Frederick H. Shipman,  
Sidney F. Tyler,  
Albert H. Wiggin,  
L. G. Myers,  
T. DeWitt Cuyler,  
Samuel F. Houston,  
Charles D. Norton,  
George S. Brewster and  
Benjamin Thaw.**